Psychology & Economic Development

→ Entrepreneur Syndrome — 10

→ Women Entrepreneurship — 10

→ Entrepreneurship development & promotion — 15 (ED & P)

- Entrepreneur is a person who engages in an energetic, expansive business activity rather than short run efficiency & accumulation of greater wealth in liquid form.

— McClelland

* Different Types of Entrepreneurs

(i) Empire Builders
↳ venture after venture

(ii) Mobile Entrepreneurs
↳ create a venture & sell it off

(iii) Innovative Entrepreneurs
↳ in the same company, keep making new products

(iv) Managerial Entrepreneurs
↳ They might not grow the business or do something new but maintain it.
↳ family business

* The characteristics of Entrepreneurs → Entrepreneurs Syndrome.

(i) The will have superior stress Mgmt. Skills
(ii) Moderate risk taking
(iii) They will always be optimistic people → driven by hope for success rather than fear of failure.
(iv) Time orientation → They live in the present.
(v) Excellent comm. skills

Scanned by CamScanner

SHOUT
SHARE
IT

(vi) Low need for affiliation.

(vii) High level of resilience & internal locus of control.

(viii) Openness to feedback & learning from experience.

(ix) Need to influence others

(x) High nAch

(xi) " sense of self-efficacy

(xii) flexible leadership style

(xiii) Competitive & collaborative orientation.

(xiv) Above average intelligence

(xv) Realistic goal setting

(xvi) They love challenging tasks

(xvii) Low on social consciousness (generally)

(xviii) Desire to make money

(xix) Dignity of labour (respect for labour whether white collar or blue collar)

Entrepreneurship is the process by which opportunities to create future goods & services are discovered & evaluated & exploited. Entrepreneurship drives innovation & technical change and therefore generate economic growth. It is a process through which supply & demand are equilibrated & new knowledg is converted in goods, products & services. It is crucial to the development of human and intellectual capital. Entrepreneurship involves huma agency. The entrepreneurial process occurs because people act to pursue opportunities. People differ in their willingness & abilities to act on opportunities because they are diff. from each other. Variation among people in their willingness & ability to act has imp. effects on entrepreneurial process. Recent research

Scanned by CamScanner

accepts that people vary in their willingness & ability to engage in entrepreneurial process because of motivational as well as non-motivational ind. diff. such as opportunity cost, financial capital, career experience, etc. Therefore, to study entrepreneurial motivation, other factors that could have causal effect on the process should be controlled & these factors include (i) political factors (such as political stability, legal restrictions, currency stability.

(ii) Market factors (Market size, labour market, tech regime)

(iii) Resources (skill availability, transportation & infra.)

Before 1960s, entrepreneurship dev. was a topic of academic discussion among psychologists, sociologists & economists and it was in 1960s, McClelland showed:

(i) Entrepreneurship has +ve linkage with economic prosperity.

(ii) It can be developed through the planned effort. Today, it is understood that Ent. Dev. & Promotion follows a cycle, consisting of:

a) Simulatory activities

These ensure the supply of individuals ready to take the initiative & set up an enterprise, risking their own career.

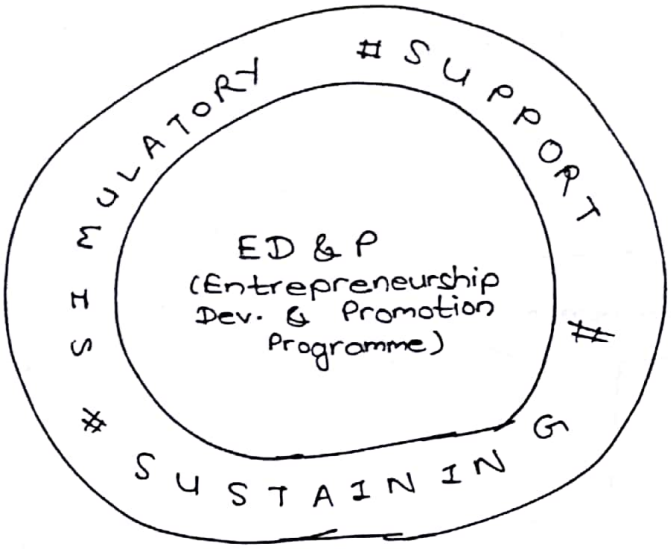
b) Support activities

This includes providing infrastructural facilities & resource abilities and various skills for enterprise launching & mgmt.

c) Sustaining activities

All those efforts which facilitate growth & continuity through expansion, modernisation, diversification & tech. upgradation.

Scanned by CamScanner



* Simulatory

(i) Entrepreneurial education → (Mass media must provide info.)

(ii) Identification of potential Entrepreneurs

(iii) Training " " "

(iv) Help in selection of project

* Support

(i) Help in registration of the unit.

(ii) Help in getting the licenses.

(iii) Help in Arrangement of the finance.

(iv) Help in supply of raw material.

(v) Help in procurement of land, power, etc.

* Sustaining

(i) Help in mobilisation of unit.

(ii) " " diversification & expansion.

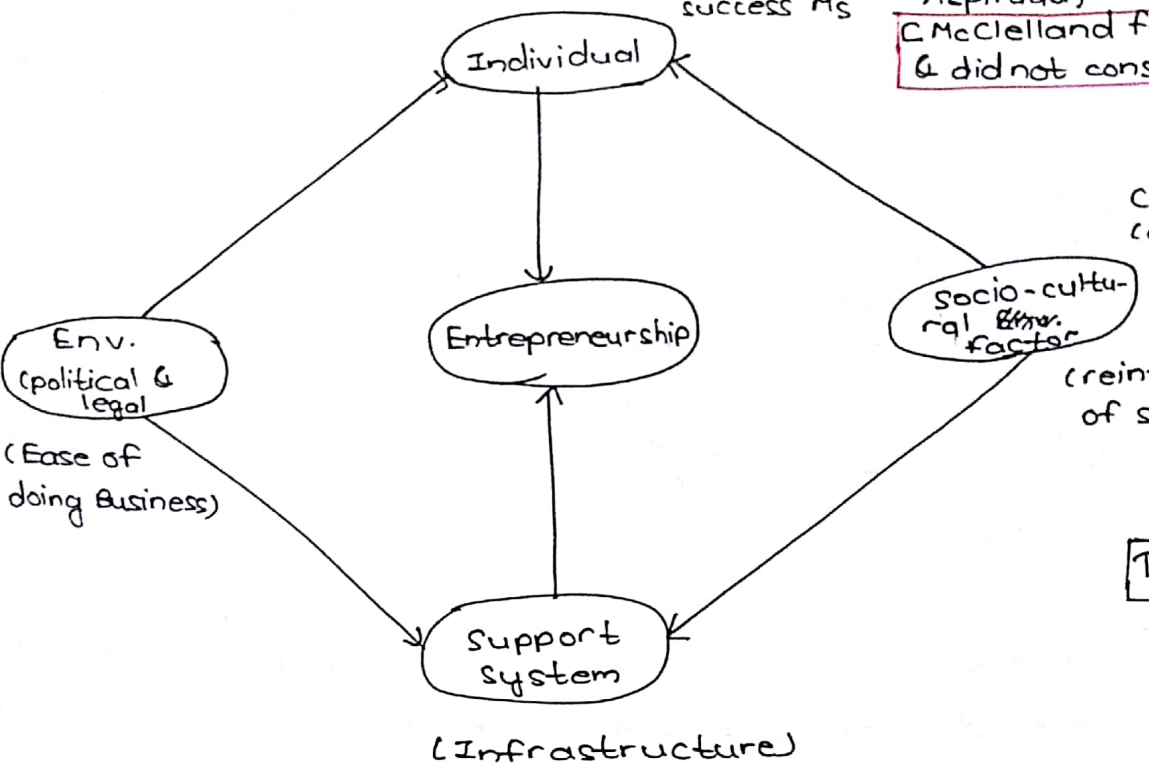
(iii) Additional finance for full capacity utilisation.

(iv) Creating opportunities for effective marketing.

Scanned by CamScanner

Motive to achieve success Ms → Motivation, drive, desire, Aspiration

(McClelland focused on these & did not consider other factors



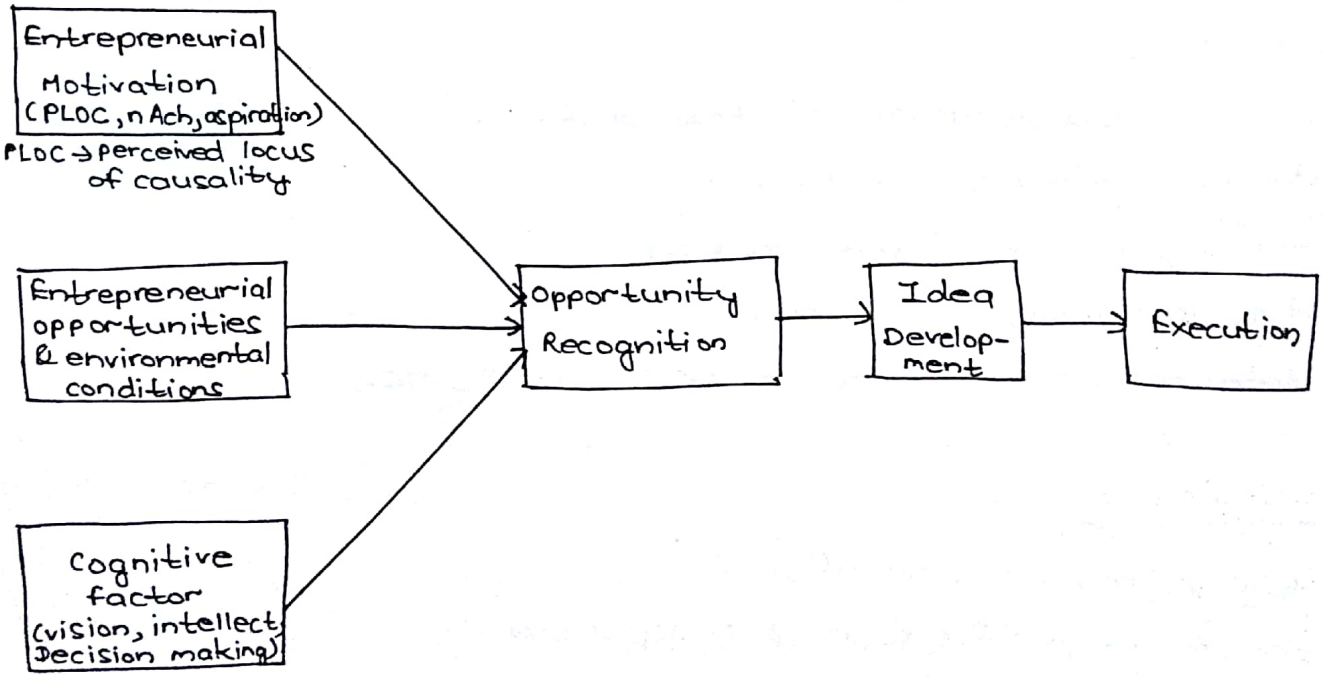
(CRPs (cultural conditions)

(reinf. pattern of society)

(Ease of doing Business)

↑ Influences

(Infrastructure)


Entrepreneurial Motivation (PLOC, n Ach, aspiration)
PLOC → perceived locus of causality
Entrepreneurial opportunities & environmental conditions
Cognitive factor (vision, intellect, Decision making)
Opportunity Recognition
Idea Development
Execution

Scanned by CamScanner

* Objectives of Entrepreneurship Dev. Prog.

(i) To increase the supply of entrepreneurs who start new ventures & to diversify the base of enterprise by promoting 1st generation entrepreneurs.

(ii) To reduce the incidence of unemp. by creating self emp. & emp. opportunities.

(iii) To improve the quality of entrepreneurship & avoid industrial sickness.

(iv) To make the trainees aware of existing business scenario.

(v) To awaken sleeping entrepreneurial characteristics of potential entrepreneurs.

(vi) To impart managerial skills & dev. Decision Making powers among the participants.

(vii) To assist entrepreneurs in project selection & working out feasibility details.

(viii) To update the knowledge of participants about the processes, rules, req., various prog. & to help them in launching & setting up their own units.

* Problems faced by women in Entrepreneurship

(i) Dual Responsibility

(ii) Double Bind

↳ fear of failure as well as success (eg. no male will approach a very successful female → leads to isolation)

(iii) They are pushed into entrepreneurship rather than pulled by it.

(eg. for financial compulsions)
or familial

↳ Problem with this is that when the compulsion will end, the motivation for entrepreneurship will end)

Scanned by CamScanner

(iv) Reliance on middle men
eg. to get licenses
↳ for men the reliance might be there but it will be less
↳ this will reduce zeal for entrepreneurship.

(v) Financial Support
↳ difficulty in procuring it.

(vi) Dependency Motivation (generally higher than men)
↳ Dependency Orientation due to partriarchal society

(vii) Glass Ceiling, Harassment, social stigma (eg: women going out in the night for meetings)
↳ govt. officials
↳ General public & male competitors

(viii) Lack of Role Models

(ix) Male Bias in training prog.

(x) Institutional & infrastructural problems.

* How to reduce the problems

(i) Single window provision

(ii) credit Policies → make them women friendly

(iii) Exemption from filing tax returns / ST / GST

(iv) Govt. Support → reduce reliance on middleman

(v) Strict punishment → to officials who harass women ent.

(vi) Role Models → Media should highlight

(vii) Self Help groups

(viii) Identification of talent & Training facilities (easily available & without male bias)

Scanned by CamScanner